

James King

From: Diego Garat [diegog@riceco.com]
Sent: 16 July 2007 18:18
To: operations@ifchor.ch; handy@ifchor.ch
Cc: 'Costas'; 'Manish'; 'Salil'; 'Sumit'
Subject: RE: m.v. APOSTOLOS II - TRC cp dd 04/04/07

Nicola / Diego

Gd day

Pls pass to owners

QUOTE

Dear Sirs

Further to the confirmation fm the involved broker that you received our below copied answer on Saturday July 14th during morning time in Europe, we haven't received any answer fm you, nor the confirmation from the master, to all involved parties, that the vsl is still in charter with The Rice Company.

Same it was also confirmed by sub-charterers, who at the time of writing this message, have not received any news from the Master.

Since agreement is in force dated July 13th, there is a hire surplus (4000 usd per day) applicable from that date, until July 26th when next hire falls due. Such a payment was originally ready and prepared for today July 16th, but will be only effected once the requested Master's confirmation is duly received by all involved parties.

Please confirm you have duly instructed the Master last Saturday and kindly advise reasons for lack of reporting from his side

Thanks in advance

Kind regards

UNQUOTE

Pls also confirm once you have sent this mssg.

Tks + brgds

Diego Garat
Chartering
The Rice Company
Direct: +1 916 960 1361
Cell phone: +1 916 792 3809

-----Original Message-----

From: Diego Garat [mailto:diegog@riceco.com]
Sent: Friday, July 13, 2007 2:52 PM
To: 'operations@ifchor.ch'; 'handy@ifchor.ch'
Cc: 'Costas'; 'Manish'; 'Salil'; 'Sumit'
Subject: RE: m.v. APOSTOLOS II - TRC cp dd 04/04/07

Nicola / Diego

Gd evening

Further our last phone call, pls kindly pass flwng answer to owners

QUOTE

"WITHOUT PREJUDICE

Charterers refer to Owners' message as copied below.

Charterers are extremely disappointed that Owners refuse to accept the clear and documented facts of this matter. This is not a dispute that Owners can possibly hope to win.

Nevertheless, Charterers are reluctantly prepared to accept Owners' proposal, namely an increase in the daily hire rate to US\$28,500, effective immediately, with a minimum charter period up to 12 March 2008, and a maximum charter period up to 12 June 2008, with all other terms to be as per the charter dated 4 April 2007.

Of course, Charterers' acceptance of Owners' proposal is strictly without prejudice to all their rights whatsoever, which are expressly reserved, in particular their right to argue that Owners illegitimately withdrew the vessel from Charterers' service.

Charterers look forward to receiving Owners' confirmation that they are now instructing the Master to follow Charterers' orders, which is to be confirmed to all involved parties contacted in the original message from the Master, via telex, no later than Saturday July 14th 0800 hs California time.

Kind regards

UNQUOTE

Pls confirm once mssg has been sent

Tks in advance

Nice weekend

Diego Garat
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-----Original Message-----

From: Nicola Verzier [mailto:operations@ifchor.ch]
Sent: Friday, July 13, 2007 9:47 AM
To: freight@riceco.com
Subject: m.v. APOSTOLOS II - TRC cp dd 04/04/07

Doc-No. 4082636 13/JUL/2007 18:46 h NV

Doc-No. 4082618

FOLL RCVD

QUOTE

Without prejudice

=====

m.v. APOSTOLOS II - TRC cp dd 04/04/07

We have received a response from TRC to our proposal of yesterday via the Lawyers. This response is being made both via the broking channels and via the lawyers in order to ensure no misdirecting of same.

TRC have not accepted Disponent Owners' offer. They have instead made a counter-proposal, as we understand it, for either the payment of US\$ 1,8 mio by ESTC to TRC or a new time charter rate of \$ 26,500 with the surplus being paid into an escrow account.

Regarding the first part we cannot understand the basis of the \$ 1.8 mio however we have been Charterers/Disponent Owners for several decades and have never seen such an attempt at making as easy and as quick money as this. The proposal is rejected outright.

Regarding the proposed rate of \$ 26,500 with \$ 2,000 being paid into an escrow please note that we wish to make clear that the vessel has been withdrawn. This is a fact. If TRC dispute the legality of such withdrawal they will be entitled to pursue their justification in due course. They will not be entitled to withhold or expect to receive any moneys into escrow.

To show their good will ESTC are willing to repeat their offer of yesterday i.e. \$ 28,500 under the same terms as the previous C/P etc. for acceptance by C.O.B. USA West Coast today 13th July. In the event that this offer is declined, ESTC reserves the right to refer to it openly as being relevant to the recovery of any damages that the Charterers have threatened to pursue.

Please request TRC to consider same and advise their final decision.

Regards

E.S.T.C.

UNQUOTE

BRGDS

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